
Local Government Committee

2SSB 5368

Brief Description: Encouraging rural economic development.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Short, Fortunato and Wilson, L.).

Brief Summary of Second Substitute Bill

- Allows code cities to annex unincorporated territory within an urban growth area.
- Qualifies a city with an annexing interlocal agreement for the annexation sales tax credit.
- Allows the Growth Management Act (GMA) planning jurisdictions to apply for a determination of compliance from the Department of Commerce (Commerce) for certain actions under the GMA and the State Environmental Policy Act.
- Allows the Growth Management Hearings Board to refer a finding of noncompliance to Commerce.
- Tasks Commerce with providing technical assistance to facilitate speedy resolution of the finding of noncompliance.

Hearing Date: 3/16/21

Staff: Elizabeth Allison (786-7129).

Background:

Growth Management Act.

The Growth Management Act (GMA) is the state's comprehensive land use planning framework

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for cities and counties. Counties planning under the GMA, and the cities within such counties, must adopt internally consistent comprehensive plans and designate critical areas, agricultural lands, forestlands, and mineral resource lands. Jurisdictions must implement comprehensive plans through locally adopted development regulations that conform to the plan. Counties must also adopt countywide planning policies in cooperation with adjacent cities to coordinate planning.

Urban Growth Areas.

Counties that fully plan under the GMA must designate urban growth areas (UGAs), within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period. In addition, cities must include sufficient areas to accommodate the broad range of needs and uses that will accompany the projected urban growth, including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Growth Management Hearings Board.

The Growth Management Hearings Board (GMHB) hears petitions and resolves disputes concerning the GMA. The GMHB is comprised of five members appointed by the Governor. Petitions are heard by three-member regional panels. The panels generally include two members from the region where the case arose, and one member from a different region.

Summary of Second Substitute Bill:

Annexation.

A code city may collaborate with the county or counties where the code city is located to form an interlocal agreement regarding annexation of unincorporated territory within a UGA boundary. An interlocal agreement for annexation will qualify the city for the annexation sales tax credit.

The agreement must address the following:

- a balancing of annexations of commercial, industrial, and residential properties so any potential loss or gain is considered and distributed fairly as determined by tax revenue;
- development, ownership, and maintenance of infrastructure; and
- the potential for revenue-sharing agreements.

The interlocal agreement formation processes must include procedures for public participation including opportunity for written comments and public meetings.

Growth Management Act.

For certain countywide planning policy, comprehensive plan, and development regulations, counties and their cities may apply for a determination of compliance from the Department of Commerce (Commerce) finding that the action is in compliance with GMA and the State Environmental Policy Act (SEPA). The following actions may be submitted for approval:

- development of or amendments to the housing element;

- development of or amendments to comprehensive plan or development regulations designating or protecting critical areas;
- development of or amendments to comprehensive plan or development regulations to designate or assure the conservation of resource lands;
- development of or amendments to countywide planning policy, comprehensive plan, or development regulation amendments that change the UGA;
- countywide planning policy, comprehensive plan, or development regulation amendments that govern the siting of essential public facilities; or
- findings of noncompliance referred to Commerce by the GMHB.

Upon receipt of a proposed comprehensive plan, development regulation, or countywide planning policy, Commerce must provide notice to and opportunity for written comment by all interested parties of record as a part of the local government review process for the proposal and to all persons, groups, and agencies that have requested in writing notice of the proposed action. The comment period must be at least 30 days, unless Commerce determines the level of complexity or controversy involved supports a shorter period.

Commerce may conduct a public hearing during the 30-day comment period in the jurisdiction proposing the comprehensive plan, development regulation, or countywide planning policy. Within 15 days after the close of public comment, Commerce must request the local government review the issues identified by the public, interested parties, groups, and agencies and provide a written response as to how the proposal addresses the identified issues.

Within 30 days after receipt of the local government response, Commerce must make written findings and conclusions regarding the consistency of the proposal with the goals and requirements of the GMA and procedural criteria adopted by Commerce, provide a response to the identified issues, and do one of the following:

- approve the comprehensive plan, development regulation, or countywide planning policy as submitted;
- recommend specific changes necessary to make the comprehensive plan, development regulation, or countywide planning policy approvable; or
- deny approval of the comprehensive plan, development regulation, or countywide planning policy in those instances where no alternative comprehensive plan, development regulation, or countywide planning policy appears likely to be consistent with the goals and requirements of the GMA and with applicable guidelines and procedural criteria adopted by Commerce.

The written findings and conclusions must be provided to the local government and made available to all interested parties.

If Commerce recommends changes to the proposed comprehensive plan, development regulation, or countywide planning policy, within 90 days after it mails the written findings and conclusions to the local government, the local government may:

- agree to the proposed changes by written notice to Commerce; or

- submit an alternative comprehensive plan, development regulation, or countywide planning policy.

Commerce must approve a proposed comprehensive plan, development regulation, or countywide planning policy unless it determines the proposed comprehensive plan, development regulation, or countywide planning policy is not consistent with the goals and requirements of the GMA and with applicable guidelines and procedural criteria adopted by Commerce.

A comprehensive plan, development regulation, or countywide planning policy takes effect when approved or adopted by Commerce. The effective date is 14 days from the date of Commerce's written notice of final action to the local government stating approval or rejection of the proposed comprehensive plan, development regulation, or countywide planning policy. Commerce's written notice to the local government must conspicuously and plainly state it is the final decision and there will be no further modifications to the proposed comprehensive plan, development regulation, or countywide planning policy. Commerce must maintain a record of each comprehensive plan, development regulation, or countywide planning policy, the action taken on any proposed comprehensive plan, development regulation, or countywide planning policy, and any appeal of Commerce's action.

Commerce must publish a notice consistent in the Washington State Register that the comprehensive plan, development regulation, or countywide planning policy has been approved or disapproved promptly after approval or disapproval.

Commerce's final decision to approve or reject a proposed comprehensive plan, development regulation, or countywide planning policy may be appealed by filing a petition to the GMHB. A decision of the GMHB concerning an appeal of Commerce's final decision to approve or reject a proposed greenhouse gas emissions reduction sub element or amendment must be based solely on whether or not the adopted comprehensive plan, development regulation, or countywide planning policy complies with the goals and requirements of the GMA or the State Environmental Policy Act (SEPA). If approval of a determination of compliance by Commerce under this section is appealed to the GMHB, the city or county may not be determined to be ineligible or otherwise penalized in the acceptance of applications or the awarding of state agency grants or loans during the pendency of the appeal before the board or subsequent judicial appeals.

The GMHB may, after finding a jurisdiction out of compliance with the GMA, refer the finding of noncompliance to Commerce. The purpose of the referral is for Commerce to provide technical assistance to facilitate speedy resolution of the finding of noncompliance.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is

passed.